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NEWS RELEASE

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**LOS ANGELES PHARMACIST PLEADS GUILTY TO
DEFRAUDING THE MEDI-CAL PROGRAM OF \$753,000**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that JEFFERSON N. CALLAHAN, 64, of Rancho Palos Verdes, California, pled guilty to felony health care fraud in violation of section 1347 of Title 18 of the United States Code.

The case was investigated by the Federal Bureau of Investigation, and the Medi-Cal Fraud Prevention Bureau of the California Department of Health Services.

According to Assistant United States Attorney Michelle Rodriguez, who is prosecuting the case, from about June 2002 to about November 2003, CALLAHAN was the owner and pharmacist at Village Drug Store which operated in Inglewood, California. CALLAHAN was a Medi-Cal provider with authority to dispense medically necessary goods and services to Medi-Cal recipients, and was allowed to claim reimbursement for dispensed goods and services from the Medi-Cal Program. Between on or about June 1, 2002 and November 30, 2003, CALLAHAN executed a scheme to steal approximately \$753,000 from the Medi-Cal program. As part of his scheme, CALLAHAN made false reimbursement claims for dispensed goods and services, received reimbursement for supplies that patients did not receive, and supported product sales with fictitious and forged prescriptions.

CALLAHAN is scheduled to be sentenced by United States District Judge Edward J. Garcia on June 29, 2007. CALLAHAN faces ten years incarceration, restitution, a fine of up to \$250,000, and a three year term of supervision. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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